

Steps to Use MyMontanaMortgage (Fannie Mae) Loans

1. Be sure you have established a lending relationship with U.S. Bank (master-servicer) for all loans except those originated by First Interstate Bank. First Interstate Bank is the master servicer for First Interstate Bank loans only.
2. Check your potential borrower for overall qualifications:
 - a. The loan won't work with a regular bond loan, so a loan from this program is needed. The Board has authorized a total of \$ 2M at this time, so the program will only fund about 25 loans.
 - b. The borrower meets the 7 federal IRS guidelines for mortgage revenue bond loans
 - c. The borrower qualifies under one of the four special groups targeted by the program:
 - Native Americans,
 - ADA – disabled;
 - Section 8 homeownership program,
 - Essential workers in education, health, police, and fire
3. Fax the loan reservation in to MBOH using the MyMontana Mortgage Reservation Fax cover sheet and required documents, as outlined on the cover sheet.
4. MBOH will Fax back a notification of approval of the reservation.
5. Close the loan. Immediately send the documents outlined in the MyMontanaMortgage Compliance Checklist to MBOH for review and approval... (See Compliance Checklist, and description below)
6. MBOH will review the compliance package, and fax to you an approval notification.
7. Send full loan purchase package with MBOH approval notification to the master servicer (U.S. Bank or First Interstate Bank) NOTE: These loans are not purchased by MBOH. However, a compliance approval from MBOH is required before the loans are purchased by either U.S. Bank or First Interstate Bank.

Listed below are the documents for compliance review required on all loans.

1. The HUD 1 documents are used to check figures relating to the loan & calculations. Such figures include mortgage insurance, loan origination fees & costs, hazard insurance and acquisition costs. Both the borrower & seller HUD 1's are needed except in the case of new construction. The HUD 1 must be signed by the borrower, seller & settlement agent and does not have to be original or

- certified. The lender/settlement agent signature can be placed on the addendum of the FHA HUD 1. Watch to be sure no cash back is being generated.
2. The Mortgagor's Affidavit must be the original & signed by all borrowers and notarized. Check for correct interest rate and income & family size. It must be marked whether or not it's in a targeted area. A legal description is no longer needed but all other blanks must be filled or the document will be returned and missing items will have to be completed.
 3. The Seller's Affidavit must be the original, signed and notarized. The selling amount must match that on the borrower's affidavit and must have one of the boxes marked on question #1. Number 9 also must be marked & though no legal description is needed, the property address must be correct.
 4. Copy of Note. The Note amount should match the amount that has been reserved. Remember that the note sent to MBOH is only a copy and the original is sent to US Bank or First Interstate, whoever is purchasing the loan. MBOH does not purchase the My Montana Mortgage Loans.
 5. Federal Tax Returns for the past three years - If the property is not located in a targeted area, federal tax returns for the past three years are needed to prove that no prior ownership has taken place.
 6. Notice of Recapture Tax - Please be sure the figures on the notice to mortgagor of maximum recapture tax document are correct and that it's signed. It can be a copy or original. Please check for correct name, address and loan amount. Question #3 should be the MBOH limits found on the Max Income Limits provided by MBOH. Under the table section, the recapture figures must be used. These figures increase by .05 each year so multiply the beginning income amount by 1.05 to get the limit for the second year and continue the calculation until the ninth year's limit is computed. MBOH will not reimburse recapture tax for this program, so be sure to use the Recapture form that does not have reimbursement language.
 7. Certificate of Completion of Homebuyer Education .A copy of the homebuyer education certificate is required. The homebuyer's education course must be one approved by MBOH – this includes only those affiliated with the Montana Homeownership Network Organization's program.
 8. A copy of the home appraisal, pages 1-6, with verification that the home sits on all lots (if more than one listed) and assurance that the lot price is no more than 35% of the total appraised value unless the property is on both public water and sewer, or within the limits of an incorporated city or town.